

~~Memorandum~~

Communist Propaganda Article
on the Rumanian Oil Industry

C 28379

A three-page article was published on the Rumanian oil industry, as per copy enclosed, in the August, 1953 issue of "Petroleum", a British publication, under the name of "J. Cardew".

The article bears the following subtitle remark:

"Some recent comments by the United Nations Economic Commission for Europe on the oil industry in Rumania are of especial interest in view of the fact that so little information has been available on the postwar development of the Rumanian oil industry."

After reading this article, there was no doubt in my mind that it was sheer communist propaganda and I was, therefore, interested in finding out more about the writer and particularly the comments made by a U.N. agency on which the article is based. A research undertaken revealed the following:

1. "J. Cardew" the writer, is apparently a collaborator of the New Central European Observer, a communist financed weekly, published in London, England. The name is probably fictitious and the writer may well be a member of the Rumanian diplomatic staff in that city.
2. The statements by a U.N. agency to which reference is made, are taken from page 33 of the "Economic Survey of Europe Since the War, prepared by the Research and Planning Division, Economic Commission for Europe, Geneva, E-ROE 157, February, 1953" and read as follows:

"The serious decline in Rumanian oil output which began in 1937 has been arrested and production, which was as low as 3.8 million tons in 1948, was in 1951 just over the 1938 level of 6.7 million tons and should shortly reach the 1936 peak of 8.7 million tons."

A footnote to this statement reads:

"The plan for 1953 foresees an output of 10 million tons. The postwar increase obtained has been a remarkable achievement since the fields exploited before the war were reaching exhaustion and is due to that combination of persistence and good fortune, which is the essence of all geological prospecting."

It is difficult to understand how a U.N. agency at this late date can present to the public official communist claims as accomplished facts.

It is obvious now that the writer, Mr. J. Cardew, used the U.N. comments as a starting point for his article in order to lend to the statements and statistics quoted therein a higher degree of credibility than they otherwise deserved.

Reading the article carefully one soon discovers that it is full of geographical, historical and statistical inaccuracies. Just to prove the complete unreliability of almost all the assertions made, I picked out at random the few examples listed in the following:

Paragraph 1 - 1951 crude oil production is claimed to be above the 1938 level of 6.7 million tons; in paragraph 12 on page 2 it is stated that the 1951 production was 140% above the level immediately prior to nationalization (3.8 million tons). On this basis, the 1951 production works out at 9.1 million tons. The Prime Minister Gheorghiu-Dej claimed only 9.3 million tons of production for 1953 in his recent speech.

Reliable British sources confirm the assumption that crude oil production, has probably not risen appreciably over 4 million tons. There has been no information whatsoever regarding the discovery of prolific new fields without which it would be a practical impossibility to more than double production in two years. A lot of propaganda has come out on the other hand on secondary recovery methods of water flooding (Boldesti field) and reactivation of abandoned wells. The 5-year plan foresaw the reactivation of 400 wells, but it is reliably reported that so far only 80 wells have been reactivated. In any case, these methods would not in themselves be sufficient to bring about the increase claimed.

If production has gone up to the extent claimed why is it that civilian consumption is so severely rationed and also why does the Scanteia, the chief communist daily, keep so silent on oil industry developments of such magnitude. It couldn't be modesty that is certain. The August 11 and 13, 1953 copies of this daily print long lists of workers, stakhanovites, etc. in the coal mining industry, who have been awarded the "Order of Labor" or the "Medal of Labor" for good work. As far as I know, no similar long lists have ever been published on awards given to workers in the oil industry.

Paragraph 5 - Reference is made here to "the traveller Dimitrie Cantemir"; actually, he was a ruling prince of Moldavia. Ignoring history in this instance is, no doubt, intentional.

Paragraph 8 - "To the Hungarian frontier at Turnu-Severin". This city is not on the Hungarian but on the Yugoslav frontier.

Paragraph 13 - Here emphasis is laid on the equal sharing of capital, management and profits in the Joint Soviet-Rumanian companies. Nothing could be farther from the truth. In the case of the "Sovrompetrol" f.i., the Soviet's capital contribution was represented by German assets confiscated on the basis of the Potsdam agreement, the management is headed by a Soviet citizen and the Soviets are entitled to their share of the profits in strong currency!

Paragraph 14 - Here delivery of new Soviet equipment is described. Reliable information places the number of turbine drilling outfits so far sent to Rumania by the Soviets to maximum 3 or 4. Perhaps the following excerpt from a letter written by a stakhanovite, Ioan St. Constantinescu, under date of July 5, 1953, throws more light on prevailing conditions in this respect: "The equipment used at the drilling of this well was old and worn out: the rig and the rotary table were about 20 years old, the pipe still passed through many repairs and the drill pipes had been used many times over. Nevertheless, they were used for "rapid drilling": therefore, the theory of new material is pernicious and must be combatted." It would appear that the new material (Soviet, of course) angle must have been greatly over-played in the press.

In addition, there are many other misleading statements in this article, f.i., that it was only after nationalization that "planned rehabilitation" of the "war damaged" oil fields began; or about wasteful practices of exploitation by British and American companies, "deflected borings", the Soviets as a generous friend of Rumania, etc. which are all barefaced lies requiring no further comment.

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This is a good example of cunning communist propaganda (for those who are not familiar with the facts and most people are not), that exploits every opening to the full end of the free world press and even a U.N. agency only too willing to assist!

Enclosure

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